

Hind Syntex Limited

**Annual Report
2010 - 2011**



Board of Directors

Directors

Shri Manohar Keshav
Shri Ravi Mohan
Shri Chandra Mohan
Shri S L Moondhra (Senior Executive Director)
Shri G S Chopra
Shri M V Venkateswarn (Nominee Bank of India)

Auditors

Bansi S. Mehta & Co., Mumbai

Solicitor

Crawford Bayley & Co., Mumbai

Bankers

Bank of India
Union Bank of India
State Bank of India
IDBI Bank Ltd.

Registered Office

1A/8A, Industrial Area,
Agra Bombay Road,
Dewas (M.P.) 455 001
Tel: 07272-258293 (5 lines)
Fax: 07272-258717, 400363
E-Mail - hsindr@sancharnet.in
Visit us at: www.hind-syntex.com

Mumbai Office

1521, Maker Chamber V,
221, Backbay Reclamation,
Nariman Point, Mumbai-400 021,
Tel: 022-22830306 & 22830878
Fax: 022-22041738

Works

1. Village BIRGOD
Block Tonk Khurd,
District Dewas (M.P.) 455 116
2. Plot No. 2, 3, 4 & 5 Sector A,
Industrial Growth Centre,
PILLUKHEDI,
District Rajgarh (M.P.) 465 667

Shri Rajesh Pipraiya, General Manager (Works)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that Thirtieth Annual General Meeting of the Members of HIND SYNTEX LIMITED will be held at the Registered Office of the Company, at 1A & 8A, Industrial area, A.B. Road, Dewas (M.P.) 455 001, on Monday, the 12th day of September, 2011 at 12.00 Noon to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To elect a Director in place of Shri Manohar Keshav, who retires by rotation, and being eligible, offers himself for reappointment.
3. To elect a Director in place of Shri G S Chopra, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company and fix their remuneration. The retiring Auditors Messrs Bansi S Mehta & Co., Chartered Accountants, Mumbai, are eligible for reappointment.

Dewas
Dated: June 24, 2011

By Order of the Board,

Registered Office:
1A & 8A Industrial Area,
Dewas - (M.P.) 455 001

S L Moondhra
Senior Executive Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 5th day of September, 2011 to Monday, the 12th day of September, 2011 (both days inclusive).
3. Members are requested to bring their copies of Annual Report to the Meeting.

Reappointment of Directors:

At the ensuing Annual General Meeting Shri Manohar Keshav and Shri G S Chopra, retires by rotation and being eligible, offer themselves for reappointment. The information or details pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchange are as under:

Shri Manohar Keshav, aged 84 years, is Director of the Company since 1986. He retired as Senior IAS officer and was past Chairman of Madhya Pradesh Electricity Board, Jabalpur.

Mr G S Chopra, aged 65 years, holds Bachelors Degree in Machanical Engineering from Maulana Azad Colloge of Technology, Bhopal. He has wide working experience since July, 1967. He was Executive President of Hind Spinners, Divn. of Hind Syntex Limited, Pillukhedi, Distt. Rajgarh (M.P.) from the year 1997 to 2003. He is Director in the Companies Viz. Dewas Soya Limited, Hind Carpets Pvt. Ltd., Central India Nutrients Ltd., Golkunda Commercial Pvt. Ltd.

Dewas
Dated: June 24, 2011

By Order of the Board,

Registered Office:
1A & 8A Industrial Area,
Dewas - (M.P.) 455 001

S L Moondhra
Senior Executive Director

Directors' Report

To the Shareholders,

Your Directors present Thirtieth Annual Report together with the Audited Statements of Accounts for the year ended March 31, 2011.

Operations

The total Income during the year was ₹11158.40 lacs. The operating results are as under:

	(₹ in lacs)	
	<u>2010-2011</u>	<u>2009-2010</u>
Surplus before Interest and Depreciation	820.63	275.38
Less: Interest	<u>676.99</u>	<u>652.53</u>
Profit / (Loss) before Depreciation	143.64	(377.15)
Less: Depreciation	<u>370.69</u>	<u>379.71</u>
Profit / (Loss) before Tax	(227.05)	(756.86)
Less: Tax Expenses	<u>-</u>	<u>-</u>
	(227.05)	(756.86)
Add : Deferred Tax	<u>-</u>	<u>22.00</u>
Net Profit / (Loss) after Tax	(227.05)	(734.86)

Dividend

In the absence of profits, your Directors regret their inability to propose any dividend.

Increase In Share Capital

During the year 2010-11, the Company issued 18,40,000 equity shares of ₹ 10/- each at par, amounting to ₹ 1,84,00,000/- to Asset Reconstruction Company (India) Ltd., towards conversion of Term Loan as per the conversion option pursuant to the CDR scheme approval dated January 6,2005.

The Board of Directors, its board meeting held on August 9, 2010 have approved the above allotment, pursuant to Article 13(c) of Article of Association of the Company and Section 81(3) of the Companies Act,1956.

Working of the Company

Birgod

As advised by lenders, the surplus machineries alongwith land and building will now be sold by auction through MSTC Ltd. for which valuation of plant and machinery has been obtained afresh by lenders.

Pillukhedi

Presently the Company has 30,384 spindles in operation, the operation of spindleage will gradually increase to 41,424 in stages subject to approval of Comprehensive restructuring proposal under CDR package submitted to Bank of India on April 22, 2010. Looking to the viability of Pillukhedi unit, debt burden has to be reduced substantially as per the scheme.

During the year the basic price of Polyester and Viscose Fibre has increased by approx. 60% and 30% respectively, which the company has been able to gradually pass on to its customers. With effect from April 1, 2011, the minimum wages has further increased by ₹ 250/- per worker per month by Madhya Pradesh Government. The impact of the increase in wages and benefits will be around ₹ 3.00 lacs per month.

The gross turnover was ₹ 10578.32 lacs (previous year ₹ 7355.11 lacs) During the year the Company made direct export of yarn ₹ 1696.18 lacs (previous year ₹ 1155.97 lacs).

Finance

As advised by lenders, the Company has submitted revised comprehensive restructuring scheme under CDR package for their approval.

As envisaged in the revised comprehensive plan for Restructuring under CDR Package, the company has started paying interest on Working Capital from January, 2011 and it has paid amounting to ₹ 24,57,268/- to all Working Capital bankers during January, 2011 to March,2011.

Public Deposit

Your Company has not accepted any public deposits and as such no amount of principal and interest was outstanding as on the date of Balance Sheet.

Directors

Shri Manohar Keshav and Shri G S Chopra, retire by rotation at the ensuing Annual General Meeting, and are eligible for reappointment.

Bank of India has appointed Shri M V Venkateswaran in place of Shri P D Upadhye as nominee w.e.f. October 16, 2010. Shri Manoj Maheshwari has resigned from the Directorship of the Company w.e.f. February 16, 2011.

Directors' Report - Continued

Particulars of Employees

There is no employee coming within the provisions as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Conservation of Energy

In terms of Section 217 (1) (e) of the Companies Act, 1956 the Companies (disclosure of particulars in respect of Board of Directors), Rules 1988 additional information regarding Energy Conservation, Technology Absorption and R & D activities, are given in (Annexure A & B) forming part of this report.

Foreign Exchange Earnings and Outgo

During the year, the Company was able to actualize export earnings of ₹ 1645.34 lacs on F.O.B. realisation basis. The total foreign exchange outgo, during the year amounted to ₹ 48.19 lacs for payment of commission on export sales. The particulars of foreign exchange earned / utilised during the year are given in Schedule 15 to the accounts.

Corporate Governance Report

A separate report on Corporate Governance is furnished as a part of the Annual Report and the certificate from the Company's Auditors regarding compliance with the said Code annexed to the said Report.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement on the basis of the information made available to the Directors, it is hereby confirmed:

- i) That in the preparation of the accounts for the financial year ended March 31, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the accounts for the financial year ended March 31, 2011 on a 'going concern' basis.

Auditors

Messrs Bansi S. Mehta & Co., Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

Shri Y S Tibrewala, Cost Accountant, was appointed on July 9, 2010 as Cost Auditors of the Company to conduct the cost audit for the year ending on March 31, 2011 and has submitted the cost Audit report for the year ended March 31, 2010 on August 19, 2010. The cost audit report for the year ended on March 31, 2011 will be submitted before the due dates as prescribed by the Law.

On the basis of technical opinion, the Company continues to treat plant and machinery as continuous process plant, which is required and designed to operate 24 hours a day. Consequently depreciation has been charged at the rate pursuant to notification GSR No: 756E dated December 16, 1993 on straight line method, as continuous process plant. In respect of observations in the Auditor's report pertaining to depreciation charged on Plant & Machinery, the Company continues to treat on the basis of technical opinion all plant & machinery as continuous process plant, which is required and designed to operate 24 hours a day. The other observations in the Auditors' Report with regard to employees benefits, Impairment of Assets are dealt with in the notes to the accounts at appropriate place and are self explanatory. Your Directors wish to place on record their appreciation to the team of dedicated executives and employees, who have shown devotion to their duties.

We thank the various Departments of Central & State Governments, and Financial Institutions, viz. Asset Reconstruction Company (India) Limited (ARCIL), Bank of India, Union Bank of India, State Bank of India and IDBI Bank Ltd., for their continued support to your Company.

On behalf of the Board,

Dewas
Dated: June 24, 2011

Ravi Mohan
Director

S L Moondhra
Senior Executive Director

**ANNEXURE
FORM-A**

Form for disclosure of particulars with respect to conservation of energy:

	Current Year	Previous Year
A. Power and Fuel Consumption:		
1. Electricity		
(a) Purchase Unit	2,75,86,261	2,25,92,714
Total Amount	₹ 11,85,65,970	₹ 8,68,81,054
Rate / Unit	₹ 4.30	₹ 3.85
(Including 3,46,403 Units generated through Wind Electric Generators and fed into MPMKVCL grid)		
(b) Own Generation		
i) Through Diesel Generators		
Units produced	--	--
Units / Litres	--	--
Cost / Unit	₹ --	₹ --
ii) Through Furnace Oil based Power Plants		
Units Produced	--	--
Units/Litres	--	--
Cost / Unit	₹ --	₹ --
2. Coal (Specify Quality and where used)		
Steam Coal used in boiler for Generation of Steam for Dye House		
Qty. (Tonnes)	--	--
Total Cost	₹ --	₹ --
Average Rate	₹ --	₹ --
3. Furnace Oil based Boiler		
Qty. (K. Litres)	--	--
Total Cost	₹ --	₹ --
Average Rate	₹ --	₹ --
4. Others / internal generation (please give details)		
Qty.	N.A.	N.A.
Total	N.A.	N.A.
Rate / Unit	N.A.	N.A.

B. Consumption per unit of production :

	Standards (if any)	Current Year	Previous Year
Product (with details)	--	Synthetic Blended Yarn	Synthetic Blended Yarn
Unit	--	Kg	Kg
Electricity	--	3.65 (Units)	3.65 (Units)
Coal (Specify quality) Steam Coal	--	-- (Kg)	-- (Kg)

On behalf of the Board,

Dewas
Dated: June 24, 2011

Ravi Mohan
Director

S L Moondhra
Senior Executive Director

ANNEXURE FORM-B

Form for disclosure of particulars with respect to Absorption Research and Development (R&D)

1. Specific area in which R & D carried out by the Company : The Company manufactures standard product for which technology has established in past several years, therefore, no further research is being carried out.
2. Benefit derived as a result of the above R & D : -
3. Future Plan of action : -
4. Expenditure on R & D
 - (a) Capital : -
 - (b) Recurring : -
 - (c) Total : -
 - (d) Total R & D expenditure as a percentage of total turnover : -

Technology Absorption, Adaptation and Innovation.

1. Efforts, in brief, made towards technology absorption, adaptation and innovation. : (a) The Company has installed, Machinery to produce international quality Synthetic Blended Yarn. Chute Feed System from Blow Room Line to Cards have been installed, resulting in uniform silver and higher production. Autoconers, Two-for-One Twister Machines, Electronic yarn clearers and splicer units on winding Machines etc. have been installed, to manufacture uniform knotless yarn.
(b) Two MBO are linked together in Blow Room and avoided toppling process.
(c) Twelve Doffer Drivers are added in Carding for better quality yarn.
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction product development, import substitution. : The Company has been able to manufacture international quality yarn by continuous improvement.

The Company made direct exported of yarn ₹ 1696.18 lacs (previous year ₹ 1155.98 lacs) earning valuable foreign exchange for the Country.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished. : No foreign technology has been imported by the Company during last 5 years or since inception.
 - (a) Technology imported : -
 - (b) Year of Import : -
 - (c) Has technology been fully absorbed : -
 - (d) If fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. : -

On behalf of the Board,

Dewas
Dated: June 24, 2011

Ravi Mohan
Director

S L Moondhra
Senior Executive Director

Management Discussion and analysis

1. Overall Review

During the current year the Company has performed better as compared to previous year. Since Working Capital Limits of the Company has been freezed by Working Capital Banks, it could not achieve desired results. However the management is confident that after implementation of proposed comprehensive restructuring scheme, with the financial support of lenders, the Company would be able to do well in future.

2. Review Operations

For the year 2010-2011, production was 7560 MT (previous year 6183 MT), Gross Turnover was ₹ 10583.19 lacs (previous year ₹ 7355.11 lacs) During the year company made direct export of yarn ₹ 1696.18 lacs (previous year ₹ 1155.97 lacs).

3. Industry structure and development

The Textile industry has seen significant growth in demand in the market. Government of India making an effort to boost the textile industry. India's domestic market has significantly in the past registering a Compounded Annual Growth. Despite the demand slump, the domestic market is expected to grow by around 9-10% of the next 5 years.

Beside restructured TUFS Scheme, the Government introduced the Integrated Skill Development Scheme for Textile and apparel. Under this Scheme, the Government has envisaged to invest ₹ 2,360 crore over the next five years.

4. Opportunity & Threats

It is expected that Synthetic Blended yarn industry will perform better due to growth in domestic market and also likely to withstand with the global competition due to economic measures taken by Government of India.

5. Risk & Concern

Currently the company perceives the following main business risks :

- i) Volatility in prices of raw materials and increase in other input costs.
- ii) Continuous increase in labour shortage/cost and power cost.
- iii) Threats from import of cheaper fabric from neighboring countries and consequent pressure on domestic prices.

6. Outlook

Outlook of the Blended Yarn industry can be improved with incentives and friendly Government policies.

7. Internal Control System & their adequacy

The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded, and protected against loss from unauthorised use or disposition, and that transactions are authorized, recorded and reported correctly.

8. Company's Financial Performance & Analysis :

(₹ in lacs)

	<u>2010-2011</u>	<u>2009-2010</u>
Surplus before Interest and Depreciation	820.63	275.38
Less: Interest	<u>676.99</u>	<u>652.53</u>
Profit / (Loss) before Depreciation	143.64	(377.15)
Less: Depreciation	<u>370.69</u>	<u>379.71</u>
Profit / (Loss) before Tax	(227.05)	(756.86)
Less: Tax Expenses	<u>-</u>	<u>-</u>
	(227.05)	(756.86)
Add : Deferred Tax	<u>-</u>	<u>22.00</u>
Net Profit / (Loss) after Tax	(227.05)	(734.86)

9. Human Resources Development/Industrial Relations

The company is committed to create a healthy workplace for everybody in the organization. The company lays significant emphasis in training of its employees to achieve the desired goal.

Corporate Governance Report

1. Company's Philosophy on Code of Governance

Company's philosophy on corporate governance envisages transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders.

2. Board of Directors

The Board of Directors consists of 6 directors as on March 31, 2011.

The composition of the Board, attendance at Board Meetings held during the year and at the last Annual General Meeting, number of directorships in other public companies and committee across various public companies of which the Director is a Member / Chairman are given below:

Name of the Director	Category	Financial Year 2010-11 Attendance at		No of Outside Directorships	Committee Positions*	
		Board Meeting	Last AGM		Member	Chairman
Shri Manohar Keshav	Independent Director	4	Yes	None	2	1
Shri Ravi Mohan	Promoter & Director	5	Yes	1	None	None
Shri Chandra Mohan	Independent Director	None	No	1	2	None
Shri Manoj Maheshwari**	Non-Independent Director	None	No	6	8	None
Shri S L Moondhra	Senior Executive Director	5	Yes	1	None	1
Shri G S Chopra	Independent Director	3	Yes	2	3	None
Shri P D Upadhye*** (Nominee Director, Bank of India)	Independent Director	2	No	None	3	None
Shri M V Venkateswaran*** (Nominee Director, Bank of India)	Independent Director	1	No	None	3	None

* Includes Audit Committee and Shareholders' / Investors' Grievance Committee / Remuneration Committee in all Companies including Hind Syntex Limited.

** Shri Manoj Maheshwari has resigned from the directorship w.e.f. February 18, 2011.

*** Shri M V Venkateswaran was appointed as Nominee Director of Bank of India w.e.f. October 16, 2010 in place of Shri P D Upadhye.

Number of Board Meetings held and the dates on which held

Five Board Meetings were held during the year on April 22, 2010, June 29, 2010, August 9, 2010, October 21, 2010 and February 11, 2011.

3. Audit Committee

The Board of Company has reconstituted an audit committee comprising, 4 Non Executive Director, viz: Shri Manohar Keshav, Chairman, Shri Chandra Mohan, Shri G S Chopra and Shri M V Venkateswaran.

The constitution of audit committee also meets requirements u/s 292(A) of the Companies Act, 1956.

The terms of reference stipulated by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement. The scope of the committee includes:

- 1] Discussion with the auditors periodically about internal control systems.
- 2] Review of the quarterly results and Annual financial statements before submission to the Board and to ensure compliance of internal control systems.
- 3] Review the accounting practices, financial statements and reports of the Auditors.

During the year the Committee held five meetings on April 22, 2010, June 29, 2010, August 9, 2010, October 21, 2010 and February 11, 2011. The attendance of the members at these meeting are as under:

Name of Member	Meetings held	Number of Meetings attended
Shri Manohar Keshav	5	4
Shri Chandra Mohan	5	0
Shri G S Chopra	5	3
Shri P D Upadhye*	5	3
Shri M V Venkateswaran*	5	1

* Shri M V Venkateswaran, Nominee Director, Bank of India has become member of committee from October 16, 2010 in place of Shri P D Upadhye.

Corporate Governance Report - *Continued*

4. Remuneration Committee

The Board of Directors of the Company has reconstituted Remuneration Committee, comprising Shri Manohar Keshav, Shri G S Chopra and Shri M V Venkateswaran. The Remuneration committee has been constituted to recommend remuneration package for Whole time director.

Shri M V Venkateswaran , Nominee Director - Bank of India has become member of committee from October 16, 2010 in place of Shri P D Upadhye.

5. Shareholders' / Investors' Grievance Committee

The Board of the company has reconstituted a shareholders' / Investors' Grievance Committee comprising of Shri Manohar Keshav, Shri Chandra Mohan, Shri Manoj Maheshwari*, Shri G S Chopra and Shri M V Venkateswaran**. The committee look into redressal of shareholders' complaints like transfer of shares, non receipt of balance sheets, non receipt of declared dividends, etc.

During the year the Committee held one meeting on June 29, 2010. The attendance of members are as under:

Name	Category	Number of Meetings During the year 2010 - 11	
		Held	Attended
Shri Chandra Mohan	Independent	1	-
Shri Manohar Keshav	Independent	1	-
Shri Manoj Maheshwari*	Non Independent	1	-
Shri P D Upadhye**	Independent	1	1
Shri G S Chopra	Independent	1	1

* Shri Manoj Maheshwari has resigned from the committee membership w.e.f. February 18, 2011.

** Shri M V Venkateswaran, Nominee Director - Bank of India has become member of committee from October 16, 2010 in place of Shri P D Upadhye.

No complaints / queries were received during the year under review. There was no pending complaints / transfers as on March 31, 2011.

6. General Body Meetings

Location and time for last three Annual General Meeting were:

Year	AGM	Location	Date	Time
2007 - 2008	AGM	Hind Syntex Ltd 1A/8A Industrial Area, A B Road, Dewas - 455 001 (MP)	2nd September 2008	12.00 Noon
2008 - 2009	AGM	Same as above	10th September 2009	12.00 Noon
2009 - 2010	AGM	Same as above	10th September 2010	12.00 Noon

All special resolutions moved at the last Annual General Meeting were passed, by show of hands unanimously by all members present at the meeting. No postal ballots were used / invited for voting at these meetings.

7. Disclosure

- (A) a. Disclosure on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc that may have potential conflict with the interest of the company at large.
None of the transactions with any of the related parties have potential conflict with the interest of the Company.
- b. Details of non compliance by the company, penalties, strictures imposed on the Company by stock exchanges or SEBI, or any statutory authority, on any matter related to capital markets during the last three years.
None.
- c. None of the Non Executive Directors are holding shares in the Company except Shri Ravi Mohan who holds 233400 Shares (1.84%) and Shri Chandra Mohan 113602 shares 0.89 %).

Corporate Governance Report - Continued

- (B) Regarding qualification of auditors pertaining to gratuity liability of employees as per AS-15 (revised) though valuation has not been done by an actuary, but as per calculation made by the company, funds available with LIC under Employees Group Gratuity Scheme are adequate to meet gratuity liability. The Company has determined the liability for the leave at the credit of its employees on the basis of their current salaries and made a provision for such a liability (without an actuarial valuation).

8. Means of Communication

Quarterly results	Are published in Free Press Journal & Dainik Swadesh
Any website, where displayed, whether it also displays Official news releases, and the presentation to institutions investors or to the analysts	www.hind-syntex.com Yes
Whether MD&A is a part of Annual Report or not	Yes

9. General Share holders information

- 9.1 Annual General Meeting :
Date and time : 12th September, 2011, at 12.00 Noon
Venue : 1A/8A Industrial Area,
A B Road, Dewas - 455 001 (MP)
- 9.2 Financial Calendar : Annual General Meeting 12th September, 2011
Results for quarter ending 30th June, 2011 by 15th August, 2011
Results for quarter ending 30th Sept, 2011 by 15th November, 2011
Results for quarter ending 31st Dec, 2011 by 15th February, 2012
Results for quarter ending 31st Mar, 2012 by 15th May, 2012
- 9.3 Book closure date : 5th September, 2011 to 12th September, 2011
- 9.4 Dividend payment date : The Directors have not recommended any dividend on equity shares for the financial year 2010 - 2011.
- 9.5 Listing of equity shares on Stock Exchange at : The Bombay Stock Exchange Ltd., Mumbai
National Stock Exchange of India Ltd., Mumbai
Listing fee as prescribed has been paid to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited up to 31st March, 2011.
- 9.6 a. Stock Code : 503881
b. Demat ISIN No. in NSDL & CDSL for equity Shares : INE 155BO1012
- 9.7 Stock market data: The market price data at National Stock Exchange (NSE) where shares were actively traded during April, 2010 to March, 2011 as under: (In ₹)

Months	Month's High Price	Month's Low Price
April	4.10	2.95
May	4.20	3.25
June	4.15	3.40
July	4.50	3.25
August	4.55	3.65
September	8.40	3.70
October	7.10	6.00
November	7.65	6.00
December	6.60	4.60
January	4.90	3.55
February	4.55	3.55
March	4.25	2.95

- 9.8 Registrar and Transfer Agents:
Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound
L B S Marg, Bhandup (W), Mumbai - 400 078, E-mail: mumbai@linkintime.co.in
- 9.9 Share transfer system:
The Board has constituted a share transfer committee for physical transfer of shares. Shares lodged for transfer are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects.

Corporate Governance Report - Continued

9.10 Distribution of Shareholding as on March 31, 2011

Number of Shares	No. of Shareholders	% of Shareholders	No. of Share held	Voting Strength (%)
Upto 500	4008	67.54	951276	7.48
501 - 1000	864	14.56	762038	5.99
1001 - 2000	524	8.83	883266	6.95
2001 - 3000	164	2.77	419934	3.30
3001 - 4000	104	1.75	386893	3.04
4001 - 5000	69	1.16	326919	2.57
5001 - 10000	117	1.97	889598	6.99
10001 and above	84	1.42	8098676	63.68
	5934	100.00	12718600	100.00

Shareholding pattern:

Category	As on March 31, 2011	
	No of Shares	%
Promoters / Persons acting in concert	3853361	30.30
UTI & Mutual Funds	1771	0.02
Financial Institutions / Banks / Insurance Companies	1849262	14.54
Private Corporate Bodies	1188250	9.34
Resident Individuals	5621145	44.19
NRI's / OCB's	204811	1.61
Total	12718600	100.00

9.11 Dematerialisation of shares

Over 91.92 % of the outstanding shares have been dematerialised upto March 31, 2011. Trading in equity shares of the Company is permitted only in dematerialised form w.e.f. August 28, 2000, as per Notification issued by Securities and Exchange Board of India (SEBI).

9.12 Outstanding GDR / Warrants and convertible Bonds, conversion date and likely impact on equity : None

9.13 Plant Location

(a) Village: BIRGOD, Block Tonk khurd, District Dewas (MP) 455 116

(b) Plot No: 2, 3, 4 & 5 Sector A, Industrial Growth Centre, PILLUKHEDI, District Rajgarh (MP) 465 667

9.14 Investors correspondence

Registrar & Transfer Agent:

Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (W), Mumbai 400078, E-mail:mumbai@linkintime.co.in

Registered Office of the Company:

Hind Syntex Limited, 1A/8A Industrial Area, A B Road, Dewas 455 001 (MP)

Tel No: 258293(5 lines) Fax No: 07272 258717/400363, E-mail:hsindr@sancharnet.in

10. Code of Conduct

Your Company has always encouraged and supported compliance to ethical business practices in personal and corporate by its employees. Your Company in order to further strengthen corporate practices, has framed a specific code of conduct, for the members of the Board of Directors and Senior Management personnel of the Company.

CEO/CFO CERTIFICATION

As required under sub-clause V of clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended March 31, 2011 the Company has complied with the requirements of the said sub-clause.

Place : Dewas

Date : 24th June, 2011

For Hind Syntex Limited

S L Moondhra

Senior Executive Director

Auditors' Certificate on compliance with the condition of Corporate Governance under Clause 49 of the Listing Agreement.

To the members of Hind Syntex Limited

We have examined the compliance of conditions of corporate governance by Hind Syntex Limited, for the year ended on March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state the no investor grievance are pending for a period exceeding one month against the company as per the records maintained by the Shareholders'/Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bansi S Mehta & Co.

Chartered Accountants

Firm Registration No. 100991W

Divyesh I. Shah

Partner

Membership No: 37326

Place : Mumbai

Dated : June 25, 2011

Auditors' Report to the Members of HIND SYNTEX LIMITED

1. We have audited the attached Balance Sheet of HIND SYNTEX LIMITED as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the basis of such checks, we considered appropriate and the information and explanations given to us, on the matters specified in paragraphs 4 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) **Refer to Note No. 5 of Schedule 15 to Accounts relating to the charge to the Profit & Loss Account of ₹ 31,34,025 in respect of Gratuity and of ₹ 7,14,862 in respect of Compensated Absences. In the absence of detailed information from an independent actuary, interalia, as to the present value of obligation and employee benefits cost to be recognised respectively in the Balance Sheet and Profit & Loss Account, we are unable to ascertain the adjustment and the charges which should have been made to the Profit & Loss Account, respectively, in respect of Gratuity and Compensated Absences, as contemplated by the Accounting Standard-15 ("AS-15") on "Employees Benefits" [AS-15 (Revised)] and accordingly, we are unable to comment on the effect thereof on the Loss for the year and the consequential effect on Debit balance in the Profit & Loss Account, and Current Liabilities and Provisions carried forward at the year end.**

Further, in view of the absence of the information as aforesaid, the Company has not made disclosures of reconciliation of obligation, fair value of plan assets, actuarial assumptions, etc. as required by AS-15 (Revised).

Further, as stated in Note 11 of Schedule 15 to the Accounts, on the basis of the working prepared by the Company to ascertain the impairment in terms of Accounting Standard-28, "Impairment of Assets", no impairment loss has been recognised. However, in view of the uncertainty involved with the internal restructuring (refer note 3 of schedule 15), and since the future cash flow prepared to determine the value in use are on basis of such restructuring, we are unable to comment whether there is an impairment of assets.

Subject to our observation as mentioned in paragraph (d) above, in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

- (e) On the basis of written representations received from the Directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of Companies Act, 1956;

Auditors' Report - Continued

- (f) Based on a technical opinion, the Company has provided depreciation on all plant and machinery (including Power Plant) as continuous process plants at the rate pursuant to notification in GSR No.756E dated 16.12.1993 on straight line method.

On the basis of the Guidance Note issued by the Institute of Chartered Accountants of India on "Some Important Issues Arising From The Amendments To Schedule XIV to the Companies Act, 1956", in our opinion, depreciation should have been provided at the rate other than that provided for continuous process plant Schedule XIV of the Companies Act, 1956.

Had depreciation been provided at the rate other than that provided for continuous process plant, depreciation for the year would have been ₹ 1,13,95,980 (instead of ₹ 3,70,68,828), Loss for the year (Net of Deferred Tax Assets of ₹ 83,29,555 for such depreciation) would have been ₹ 1,12,97,139 (instead of ₹ 2,27,05,265) and at the year end, Net Block of Fixed Assets would have been ₹ 16,14,56,691 (instead of ₹ 34,56,53,883), Debit Balance in the Profit and Loss Account, after adjusting balances in Reserves and Surplus (except to the extent of ₹ 89,17,860 on account of Capital Reserves), (Net of Deferred Tax Asset of ₹ 5,97,62,779 for such depreciation) would have been ₹ 42,03,29,422 [instead of Debit Balance in the Profit and Loss Account, after adjusting balances in Reserves and Surplus (except to the extent of ₹ 89,17,860 on account of Capital Reserves), of ₹ 29,58,95,009] and there would have been Deferred Tax Asset (Net) of ₹ Nil (instead of Deferred Tax Assets (Net) of ₹ Nil).

- (g) We would like to draw attention to Note 3(c) of Schedule 15 to the Accounts relating to non availability of loan statement and balance confirmation of loans outstanding from some of the lender banks/institutions as on March 31, 2011, due to which the interest charged to Profit & Loss Account is determined on the basis of the interest rate specified in the Corporate Debt Restructuring Scheme and therefore, the outstanding loan and interest balance has been taken as per the records of the Company;
- (h) We would like to further draw attention Note 12 of Schedule 15 to the Accounts relating to non provisioning of management fees amounting to ₹ 22,00,000 payable to Bank of India for disbursement of loan taken by the Company for paying labour dues as the same is payable out of the sale proceeds of balance assets of the Company at Birgod unit remaining after reallocation of assets from Birgod unit to Pillukhedi Unit.
- (i) Subject to our observations as mentioned in paragraph (d) and (f) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with notes thereon and significant Accounting Policies given in Schedule XIV give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
- (ii) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date;
- (iii) in the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For Bansii S Mehta & Co.
Chartered Accountants
Firm Registration No. 100991W

Place : Mumbai
Dated : June 25, 2011

Divyesh I. Shah
Partner
Membership No: 37326

Annexure referred to in paragraph 3 of the Auditors' Report of even date to the members of HIND SYNTEX LIMITED on the accounts for the year ended March 31, 2011.

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- (i) (a) The Company is generally maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a phased programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern, subject to Note 4 of Schedule 15 to the Accounts relating to assets transferred to Pillukhedi Unit from Birgod Unit.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) As per the information furnished, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) As the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in (c) the register maintained under Section 301 of the Companies Act, 1956, Clause (iii) (b) of the Order relating to the & rate of interest and terms and conditions being prima facie prejudicial to the Company, Clause (iii) (c) relating to (d) regularity of receipt of principal amount and interest and Clause (iii) (d) relating to steps taken for recovery of overdue principal and interest of more than rupees one lakh, are not applicable.
- (e) During the year, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (f) As the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in & Register maintained under Section 301 of the Act, Clause (iii) (f) of the Order relating to rate of interest and terms (g) and conditions being prima facie prejudicial to the interest of Company, Clause (iii) (g) relating to regularity in repayment of principal amount and interest, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. As informed to us, the Company is not engaged in the sale of any services. During the course of our audit, no major weakness has been noticed in these internal control systems.
- (v) According to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Consequently, reporting on clause 4(v)(b) of the said Order does not arise.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Hence, the question of complying with the directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA or any relevant provision of the Act, and the rules framed there under, does not arise. Accordingly clause 4(vi) of the order is not applicable.
- (vii) **In lieu of Corporate Debt Restructuring, the Monitoring committee has appointed an independent firm of Chartered Accountants as Concurrent Auditor to conduct concurrent audit of the Company on monthly basis, in view of which, the Board of Directors had decided to discontinue separate internal audit of the Company.**

Auditors' Report - Continued

- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956, in respect of the manufacturing activities of the Company to which the said rules are applicable and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise-duty, Cess and other material Statutory dues, applicable to it and there were no arrears of such statutory dues as on March 31, 2011 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, given herein below are the details of dues of sales tax, income tax, wealth tax, service tax, customs duty, excise duty, cess which have not been deposited on account of disputes and the forum where the dispute is pending:

Name of the statute	Nature of The dues	Amount in ₹	Period to which the amount relate	Forum where dispute is pending
Entry Tax Act, 1976	Entry Tax	4,10,968	1997-98	Tribunal, Bhopal

- (x) In our opinion, the accumulated losses of the Company as at the end of the financial year are more than fifty percent of its net worth. The Company has not incurred cash losses during the year under audit. However in the immediately preceding financial year there were cash losses.
- (xi) In view of the sanction of CDR package and related extension of the due dates, the Company has defaulted in following repayment of dues to Banks or Institutions:

I. Principal

Amount in ₹

Period	Total Amount due	Amount paid on or before due date	Default amount	Amount of Default made good	Year in which default made good	Amount of default as on March 31, 2011
2006-07	5,19,40,846	1,69,37,863	3,50,02,983	97,27,401	2007-08	2,52,75,582
2007-08	6,65,26,092	2,52,92,744	4,12,33,348	29,08,204	2008-09	3,83,25,144
2008-09	7,51,11,312	28,00,000	7,23,11,312	-	-	7,23,11,312
2009-10	7,51,11,312	-	7,51,11,312	-	-	7,51,11,312
2010-11	8,12,79,485	-	8,12,79,485	-	-	8,12,79,485
Total	34,99,69,047	4,50,30,607	30,49,38,440	1,26,35,605	-	29,23,02,835

II. Interest

Amount in ₹

Period	Total Amount due	Amount paid on or before due date	Default amount	Amount of Default made good	Year in which default made good	Amount of default as on March 31, 2011
2006-07	3,80,10,844	1,75,48,156	2,04,62,688	-	-	2,04,62,688
2007-08	5,66,94,298	2,64,29,413	3,02,64,885	10,97,696	2008-09	2,91,67,189
2008-09	5,74,94,893	90,42,313	4,84,52,580	-	-	4,84,52,580
2009-10	6,17,02,017	25,76,644	5,91,25,373	-	-	5,91,25,373
2010-11	7,02,73,125	47,75,462	6,54,97,663	-	-	6,54,97,663
Total	28,41,75,177	6,03,71,988	22,38,03,189	10,97,696	-	22,27,05,493

Auditors' Report - Continued

- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) As the Company is not a chit fund, Nidhi, mutual benefit fund or society the provisions of Clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) According to the information and explanations given to us, in our opinion the Company is not dealing or trading in shares, securities, debentures and other investments and hence, the requirements of Clause 4(xiv) of the Order are not applicable to the Company.
- (xv) As the Company has not given any guarantee for loans taken by others from banks or financial institutions, clause 4(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion, the term loans availed by the Company were prima facie, applied for the purpose for which the loans were obtained.
- (xvii) **According to the information and explanations given to us and on examination of the financial statements of the Company, we report that, the Company has utilized short-term funds for long-term purpose amounting to ₹ 161.13 lacs. The utilization of short term funds towards long terms funds is due to recovery of interest on term loan by the bank.**
- (xviii) According to the information and explanations given to us, as the Company has not made any preferential allotment of shares during the year, Clause 4 (xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us, as the Company has not issued any debentures and hence, the question of creating security or charges in respect thereof does not arise, Clause 4 (xix) of the Order is not applicable.
- (xx) As the Company has not raised any money by public issues during the year, Clause 4 (xx) of the Order is not applicable.
- (xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Bansi S Mehta & Co.
Chartered Accountants
Firm Registration No. 100991W

Place : Mumbai
Dated : June 25, 2011

Divyesh I. Shah
Partner
Membership No: 37326

Schedules forming part of the Balance Sheet as at March 31, 2011

	As At March 31, 2011 ₹	As At March 31, 2010 ₹
SCHEDULE 1 :		
SHARE CAPITAL:		
AUTHORISED:		
1,60,00,000 Equity Shares of ₹ 10 each (Previous year 1,60,00,000 Equity Shares of ₹ 10 each)	<u>16,00,00,000</u>	<u>16,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP:		
(A) 10878600 Equity Share (Previous year 10878600) of ₹ 10 each fully paid (Out of the above shares 8158950 Equity Shares of ₹ 10 each have been allotted as fully paid up Bonus Shares by Capitalisation of General Reserves)	12,71,86,000	10,87,86,000
(B) 18,40,000 equity shares of ₹ 10/-each issued at par amounting to ₹ 1,84,00,000 to Asset Reconstruction Company (India) Limited, Mumbai against conversion of part term loan into equity, as per Terms of CDR.		
Add: Shares Forfeited	<u>86,250</u>	<u>86,250</u>
	<u>12,72,72,250</u>	<u>10,88,72,250</u>
SCHEDULE 2 :		
RESERVES AND SURPLUS:		
(1) CAPITAL RESERVE:		
Central Investment Subsidy	15,00,000	15,00,000
State Investment Subsidy	25,00,000	25,00,000
Diesel Generator Set Subsidy	<u>4,46,371</u>	<u>4,46,371</u>
	44,46,371	44,46,371
(2) POWER SUBSIDY RESERVE:		
	44,71,489	44,71,489
(3) GENERAL RESERVE:		
As per Last Balance Sheet	28,65,18,694	28,65,18,694
Less: Debit Balance in Profit and Loss Account to the extent of General Reserve	<u>(28,65,18,694)</u>	<u>(28,65,18,694)</u>
	<u>89,17,860</u>	<u>89,17,860</u>

Schedules forming part of the Balance Sheet as at March 31, 2011

	As At March 31,2011 ₹	As At March 31,2010 ₹
SCHEDULE 3 :		
SECURED LOANS :		
A. TERM LOANS FROM :		
I (1) Asset Reconstruction Company (India) Ltd.	18,66,13,132	20,50,13,132
(2) Bank of India (Secured by first Equitable Mortgage of all the immovable properties, both present and future, ranking pari passu and first charge by way of hypothecation of all movable assets (except stock of inventories and book debts),subject to prior charge in favour of the Company's Bankers for securing working capital requirements).	<u>2,79,00,000</u> 21,45,13,132	<u>2,79,00,000</u> 23,29,13,132
II (1) Union Bank of India	2,98,80,350	2,92,42,926
(2) Bank of India (Secured by specific charge on Assets).	<u>1,25,60,797</u> 4,24,41,147	<u>1,25,60,797</u> 4,18,03,723
III Bank of India (For Labour Dues) (Secured by sale proceeds of balance assets / properties of the company at Birgod unit remaining after reallocation of assets from Birgod unit to Pillukhedi unit)	2,20,00,000	2,20,00,000
B. WORKING CAPITAL TERM LOANS :		
(1) Bank of India	2,20,87,500	2,20,87,500
(2) IDBI Bank Ltd.	2,06,25,000	2,06,25,000
(3) Union Bank of India	1,56,01,407	1,53,18,750
(4) State Bank of India (Secured / to be secured by first charge on fixed assets of the Company and second charge over current assets of the Company both present and future).	1,02,06,859	1,02,06,859
	<u>6,85,20,766</u>	<u>6,82,38,109</u>
C. FUNDED INTEREST TERM LOANS (FITL) :		
(1) Asset Reconstruction Company (India) Ltd.	4,77,42,692	4,77,42,692
(2) IDBI Bank Ltd.	62,18,232	62,18,232
(3) Union Bank of India	1,37,38,580	1,36,20,809
(4) State Bank of India	31,77,379	31,77,379
(5) Bank of India (Secured / to be secured by first charge on fixed assets of the Company and second charge over current assets of the Company both present and future).	1,65,12,203	1,65,12,203
	<u>8,73,89,086</u>	<u>8,72,71,315</u>
D. WORKING CAPITAL LOANS FROM BANKS :		
Rupee Loan with Banks (Secured by hypothecation of Stores and Spare parts, Raw Materials, Work-in-progress, Finished goods and Book debts and second charge on Fixed Assets).	10,55,78,902	12,64,66,937
E. INTEREST ACCRUED AND DUE :		
	<u>21,92,41,405</u>	<u>15,72,07,830</u>
	<u>75,96,84,438</u>	<u>73,59,01,046</u>
SCHEDULE 4 :		
UNSECURED LOANS :		
Hind Filters Limited {Refer Note 2a of Sch. 15}	<u>1,37,57,061</u>	<u>1,29,71,548</u>
	<u>1,37,57,061</u>	<u>1,29,71,548</u>

Schedules forming part of the Balance Sheet as at March 31, 2011

SCHEDULE 5 :

FIXED ASSETS:

(Amount in ₹)

	GROSS BLOCK			As at March 31, 2011	DEPRECIATION			NET BLOCK	
	As at April 1, 2010	Additions during the year	Deductions and/or transfers		Upto April 1, 2010	On Deductions	For the year	Upto March 31, 2011	As at March 31, 2011
(A) Owned Assets									
Leasehold Land	41,58,446	-	-	41,58,446	-	-	-	41,58,446	41,58,446
Buildings	13,43,12,657	-	-	13,43,12,657	5,85,81,353	-	41,30,327	6,27,11,680	7,16,00,977
Tube Wells	1,90,526	-	-	1,90,526	59,226	-	3,105	62,331	1,28,195
Plant and Machinery	73,58,23,080	-	79,16,871	72,79,06,209	52,00,31,337	75,21,031	3,14,34,323	54,39,44,629	18,39,61,580
Electrical Installations	2,60,30,998	-	-	2,60,30,998	1,79,99,292	-	11,62,965	1,91,62,257	68,68,741
Wind Electric Generators	2,20,00,000	-	-	2,20,00,000	2,09,00,000	-	-	2,09,00,000	11,00,000
Furniture and Fixtures	40,40,251	-	-	40,40,251	38,13,866	-	30,598	38,44,464	1,95,787
Office Equipments	30,00,653	-	-	30,00,653	22,06,434	-	1,05,457	23,11,891	6,88,762
Computers	1,01,99,610	-	-	1,01,99,610	96,63,897	-	12,263	96,76,160	5,23,450
Vehicles	39,91,703	4,90,000	3,65,385	41,16,318	24,28,697	3,47,116	1,89,790	22,71,371	18,44,947
TOTAL (A)	94,37,47,924	4,90,000	82,82,256	93,59,55,668	63,56,84,102	78,68,147	3,70,68,828	66,48,84,783	27,10,70,885
(B) Assets for Disposal									
Leasehold Land	30,21,467	-	-	30,21,467	-	-	-	-	30,21,467
Buildings	4,48,59,159	-	-	4,48,59,159	2,66,22,255	-	-	2,66,22,255	1,82,36,904
Tube Wells	4,12,823	-	-	4,12,823	1,47,445	-	-	1,47,445	2,65,378
Plant and Machinery	19,33,88,266	-	-	19,33,88,266	14,31,98,530	-	-	14,31,98,530	5,01,89,736
Electrical Installations	1,29,00,981	-	-	1,29,00,981	1,00,31,468	-	-	1,00,31,468	28,69,513
TOTAL (B)	25,45,82,696	-	-	25,45,82,696	17,99,99,698	-	-	17,99,99,698	7,45,82,998
TOTAL (A+B)	1,19,83,30,620	4,90,000	82,82,256	1,19,05,38,364	81,56,83,800	78,68,147	3,70,68,828	84,48,84,481	34,56,53,883
Previous Year	1,20,01,39,238	55,66,373	73,74,991	1,19,83,30,620	78,05,75,196	28,62,133	3,79,70,737	81,56,83,800	38,26,46,820

SCHEDULE 6 :

CURRENT ASSETS, LOANS AND ADVANCES:

(a) INVENTORIES:

(As taken and certified by the Management)

Stores and Spares

Raw Materials

(including goods in transit ₹ 96,59,248/-)

(Previous Year ₹ 36,77,668/-)

Packing Materials

Work-in-progress

Finished Goods

Waste

(b) SUNDRY DEBTORS:

(Unsecured, considered good unless otherwise stated)

Debts outstanding for a period exceeding six months

Other debts

(c) CASH AND BANK BALANCES:

Cash in hand

Balance with scheduled Banks on Current Accounts

(d) LOANS AND ADVANCES:

Advances Recoverable in cash or in kind or for value to be received

Advance against Capital expenditure

Deposits

Balance with Central excise authorities

	As At March 31, 2011 ₹	As At March 31, 2010 ₹
Stores and Spares	1,78,74,402	2,09,96,140
Raw Materials	4,61,85,832	3,95,71,348
Packing Materials	9,06,872	10,13,711
Work-in-progress	2,87,43,898	2,12,01,619
Finished Goods	6,10,78,235	1,35,13,751
Waste	28,602	15,321
	<u>15,48,17,841</u>	<u>9,63,11,890</u>
Debts outstanding for a period exceeding six months	-	1,43,100
Other debts	<u>7,00,35,490</u>	<u>3,96,01,642</u>
	7,00,35,490	<u>3,97,44,742</u>
Cash in hand	22,229	75,591
Balance with scheduled Banks on Current Accounts	<u>1,90,11,209</u>	<u>2,25,70,188</u>
	1,90,33,438	<u>2,26,45,779</u>
Advances Recoverable in cash or in kind or for value to be received	3,36,70,721	4,29,49,659
Advance against Capital expenditure	3,80,920	-
Deposits	92,87,890	88,07,890
Balance with Central excise authorities	<u>4,51,10,571</u>	<u>4,29,13,777</u>
	<u>8,84,50,102</u>	<u>9,46,71,326</u>
	<u>33,23,36,871</u>	<u>25,33,73,737</u>

Schedules forming part of the Balance Sheet as at March 31, 2011

	As At March 31,2011 ₹	As At March 31,2010 ₹
SCHEDULE 7 :		
CURRENT LIABILITIES AND PROVISIONS:		
CURRENT LIABILITIES:		
Sundry Creditors - Micro, Small and Medium Enterprises @ - Others	- <u>3,29,85,895</u>	- <u>2,22,08,660</u>
@ The Company has not received Information from vendors regarding their Status under the Micro, Small and Medium Enterprises Development Act,2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.	3,29,85,895	2,22,08,660
Other Liabilities	<u>4,01,86,119</u> <u>7,31,72,014</u>	<u>2,92,56,797</u> <u>5,14,65,457</u>

Schedules annexed and forming part of the Profit and Loss Account for the year ended March 31, 2011

	As At March 31,2011 ₹	As At March 31,2010 ₹
SCHEDULE 8 :		
OTHER INCOME :		
Exchange fluctuation	9,47,197	-
Profit on sale of Fixed Assets	12,39,391	61,88,308
Miscellaneous Income	<u>7,79,506</u>	<u>11,74,919</u>
	<u>29,66,094</u>	<u>73,63,227</u>
SCHEDULE 9 :		
INCREASE/(DECREASE) IN STOCK:		
CLOSING STOCK:		
Work-in-progress	2,87,43,898	2,12,01,619
Finished Goods	6,10,78,235	1,35,13,751
Waste	<u>28,602</u>	<u>15,321</u>
	8,98,50,735	3,47,30,691
Less:OPENING STOCK:		
Work-in-progress	2,12,01,619	2,08,72,072
Finished Goods	1,35,13,751	3,23,78,275
Waste	<u>15,321</u>	<u>9,108</u>
	<u>3,47,30,691</u>	<u>5,32,59,455</u>
	<u>5,51,20,044</u>	<u>(1,85,28,764)</u>
SCHEDULE 10 :		
RAW MATERIALS CONSUMED:		
Opening Stock	3,58,93,680	1,98,71,349
Add: Purchases	<u>75,17,85,368</u>	<u>49,90,61,260</u>
	78,76,79,048	51,89,32,609
Less: Closing Stock	<u>3,65,26,584</u>	<u>3,58,93,680</u>
	<u>75,11,52,464</u>	<u>48,30,38,929</u>

**Schedules annexed and forming part of the Profit and Loss Account
for the year ended March 31, 2011**

	As At March 31,2011 ₹	As At March 31,2010 ₹
SCHEDULE 11 :		
MANUFACTURING AND OTHER EXPENSES:		
Consumption of Stores,Spare parts etc.	2,66,20,219	2,06,02,040
Consumption of Packing Materials	88,48,086	68,48,829
Power, Fuel and other charges	11,85,65,970	8,68,81,054
REPAIRS AND MAINTENANCE:		
Building	4,23,542	2,73,680
Plant and Machinery	91,31,912	76,30,770
Others	<u>35,37,152</u>	<u>6,88,094</u>
	1,30,92,606	85,92,544
EMPLOYEES COST:		
Salaries,wages,Bonus,Provident Fund and other funds	7,81,49,487	6,07,18,381
Staff and Labour Welfare Expenses	11,50,385	10,41,404
Director's Remuneration	<u>14,83,500</u>	<u>12,39,500</u>
	8,07,83,372	6,29,99,285
Rent etc.	27,000	-
Lease Rent and Hire Charges	1,00,784	2,72,709
Rates and Taxes	7,72,928	17,45,737
Insurance	14,61,265	13,82,530
Water Charges	16,97,087	16,78,667
Postage and Telegram	2,81,061	2,50,437
Transportation	18,21,240	16,85,301
Travelling Expenses (Directors' Travelling ₹ 31,983/- (₹ 9,057/-)	5,14,978	6,38,226
Legal and professional Charges	7,05,912	9,32,079
Telephone	2,26,144	2,26,054
Printing and Stationary	4,52,955	3,99,095
Books and Periodicals	1,13,436	70,768
Conveyance	2,86,664	2,57,296
Advertisement	8,83,737	42,826
Gardening and Cleaning Expenses	57,567	45,571
Licence and other Fees	5,74,026	4,46,976
Bank Commission and other charges	14,75,765	17,43,673
Exchange Difference Net	-	1,01,454
Excise duty expenses on Plant & M/C	-	2,12,520
Excise duty expenses on Sludge	1,96,061	-
Auditors' Remuneration		
Audit fees	1,40,000	1,25,000
Tax Audit fees	40,000	40,000
Other matters fees	<u>1,36,265</u>	<u>95,000</u>
	3,16,265	2,60,000
	<u>25,98,75,128</u>	<u>19,83,15,671</u>
SCHEDULE 12 :		
INTEREST		
Term Loan	5,66,00,604	5,21,49,681
Others (Net) (Note No 15 of Sch. 15)	<u>1,10,98,419</u>	<u>1,31,03,878</u>
	6,76,99,023	6,52,53,559
SCHEDULE 13 :		
SELLING AND DISTRIBUTION EXPENSES:		
Commission	1,28,07,501	84,26,710
Freight,Insurance and Other Expenses (Net)	<u>99,06,350</u>	<u>69,62,242</u>
	<u>2,27,13,851</u>	<u>1,53,88,952</u>

Schedules annexed and forming part of the Profit and Loss Account for the year ended March 31, 2011

SCHEDULE 14 :

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

1. **Basis of Preparation of Financial Statements:**
The Financial Statements of the Company are prepared on going concern under historical cost convention on accrual basis and in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standard) Rules, 2006, and the relevant provisions of the Companies Act, 1956. The accounting policies has been consistently applied by the company.
2. **Use of Estimates:**
The preparation of Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reported amount of assets and liabilities and disclosure of contingent liability at the date of financial statement and the result of operations during the reporting period. Although this estimates based upon the management's best knowledge and current events and actions, actual result could differ from this estimates.
3. **Revenue Recognition:**
Sale of goods Sales are recognized at the time of dispatch of goods from factory and are recorded including excise duty but exclusive of sales tax and trade discounts, wherever applicable.
Interest from customer
Interest from customers on delayed payments are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.
4. **Basis of valuation of Fixed assets:**
 - (a) Leasehold land - at cost.
 - (b) Owned Fixed Assets - at cost less depreciation, cost includes all costs incurred till the asset is put to use (including borrowing costs).
5. **Depreciation :**
Depreciation on Fixed assets has been provided on straight line method at the rates as specified in Schedule XIV of the Companies Act, 1956, as amended vide notification GSR No. 756E dated 16.12.1993 and subsequent notification GSR No. 101 (E) dated 1.3.1995. Further fixed assets whose aggregate cost is ₹ 5000 or less are depreciated fully in the year of acquisition.
6. **Inventories:**
Items of Inventories are measured at lower of cost and net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including appropriate overheads. Cost of raw materials is determined on first-in-first-out basis and stores and packing materials are determined on weighted average basis.
7. **Foreign Exchange Transactions :**
Transactions in foreign exchange are accounted at exchange rates prevailing on the date of transaction. Monetary items denominated in foreign currencies at the year end are restated at year end rates. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the profit and loss account. Gains / Losses on forward exchange contracts are recognized over the life of the contract.
8. **Employee Benefits**
 - (i) **Post Employment Benefit Plans**
Defined Contribution Plan :
Contribution as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis.
Defined Benefit Plan :
Liability in respect of Employees' Group Gratuity Cash Accumulation Cum-Life Assurance Scheme and Group Superannuation Scheme are funded by way of contribution to Life Insurance Corporation of India.
 - (ii) **Other Benefits**
Provision has been made in respect of leave standing to the credit of the employees on the basis of their current salaries and not on the basis of actuarial valuation method.
9. **Taxation:**
 - (a) **Provision for Taxation:**
Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.
 - (b) **Deferred Taxation:**
In accordance with Accounting Standard- 22 on "Accounting for Taxes on Income", the deferred tax for timing differences is accounted for, using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets arising from timing differences are recognized only on the consideration of prudence.
10. **Impairment of Assets :**
If indications suggest that assets of the company may be impaired, the recoverable amount of asset are determined on the Balance Sheet date and if it is less than its carrying amount , the carrying amount of assets are reduced to the said recoverable amount.
11. **Provisions, Contingent Liabilities and Contingent Assets:**
 - (a) The Company recognizes as Provisions, the liabilities being present obligations arising out of past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation.
 - (b) Contingent liabilities are disclosed by way of a note to the financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved.
 - (c) Contingent Assets are neither recognized nor disclosed.

Schedules annexed and forming part of the Profit and Loss Account for the year ended March 31, 2011

SCHEDULE 15 :

NOTES TO ACCOUNTS :

1. Contingent Liabilities Not Provided For :
 - a) Estimated amount of contracts remaining to be executed on capital account of ₹ 42,85,579 advances paid ₹ 3,80,920 (₹ Nil).
 - b) Income tax demands disputed in Appeals ₹ 75,23,958 (₹ 2,08,46,361) against which amount deposited ₹ 75,23,958 (₹ 1,71,28,471).
 - c) Entry Tax demands disputed in Appeals ₹ 5,76,968 (₹ 5,76,968) against which amount deposited ₹ 1,66,000 (₹ 1,66,000) .
 - d) Central Excise Duty demands disputed in Appeals ₹ 1,71,151 (₹ 3,63,039) against which amount deposited ₹ Nil (₹ 1,91,888).
2.
 - a) In compliance with the CDR scheme, the Promoters of the Company has brought ₹ 1 Crore as advance which is deposited in an Escrow Account. This amount shall be allowed to be refunded by the Company to the Promoter in case a strategic investor is inducted resulting in change in the present management.
 - b) Considering the future market potential of Polyester Viscose blended textile barring any unforeseen circumstances, the management is confident that after implementation of the revised CDR scheme, the Company would be able to generate sufficient returns to make its net worth positive in future. In view of the order of the Hon'ble High Court of Judicature, Indore bench allowing the closure of Birgod Unit and thereby settling the labour disputes relating to the closure of the said unit and payment of labour dues the Company is of the view that the Going Concern Assumption is still in existence. Accordingly, the accounts of the Company are prepared on Going Concern basis.
3. Corporate Debt Restructuring Scheme:
 - a) As per the Approved Restructuring Scheme, the interest on Term Loans and Working Capital Term Loans is payable at the rate of 9 % p.a. payable monthly. The scheme has funded the interest on these loans from April 1, 2004 to June 30, 2006. These loans were repayable, as per the proportion specified in the scheme, in 24 quarterly installments commencing from December 15, 2006.
 - b) As desired by Lenders the Company has submitted revised Restructuring Scheme on April 24, 2010 with a request for funding of Interest on Working Capital from April, 2010 to December, 2010 and Interest on Term loan of ₹ 15 Crores from April, 2010 to March, 2012 and repayment of Term Loans of ₹ 15 Crores and Interest on Loans will start from 2012-13.
 - c) As per Schedule of repayment of the loan a sum of ₹ 7,87,79,485 (₹ 6,95,11,312) was payable during the current year out of which ₹ 3,58,10,995 (₹ 3,15,97,936) was payable to banks other than ARCIL. Out of the above loans payable to banks other than ARCIL during the current year has paid ₹ Nil (₹ Nil.) and remaining amount of ₹ 3,58,10,995 (₹ 3,15,97,936) is still unpaid. The Company out of the outstanding dues of loan payable to banks other than ARCIL as on April 1, 2010 of ₹ 6,87,32,963, is still unpaid. Further, the interest which became payable to banks other than ARCIL for the current year was ₹ 2,94,27,583 (₹ 2,92,11,197) . The Company out of the outstanding interest dues as on April 1, 2010 of ₹ 5,24,81,411 is still unpaid.

As regards payment to ARCIL, loan of ₹ 4,29,68,490 (₹ 3,79,13,376) and interest of ₹ 3,24,54,793 (₹ 3,06,71,225) was payable during the current year and the outstanding dues of loan and interest as on April 1, 2010 was ₹ 13,38,90,374 and ₹ 10,48,77,618 respectively. During the year 18,40,000 equity share of ₹ 10/-issued at par amounting to ₹ 1,84,00,000 to Asset Reconstruction Company (India) Limited, Mumbai against conversion of part term loan into equity, as per the additional condition No.V-L of CDR sanction letter dated 06/01/2005.

Further, the Company has requested for the loan statement and balance confirmation of loans outstanding from lender banks/institutions as on March 31, 2011. However, as the same has not been provided by some of the banks/institutions therefore the Company has accrued the interest at the rate specified as per revised CDR Scheme and therefore the outstanding loan and interest balances have been taken as per records of the Company. The banks /institutions who has not provided the loan statement and balance confirmation of loans outstanding are as follow:

Amount in ₹

Sr. No.	Name of the Bank/Institution	Balance of Loans as on March 31, 2011
1.	ARCIL	
	-Term loan	18,66,13,132
	-FITL	4,77,42,692
2.	IDBI Bank Ltd.	
	-WCTL	2,06,25,000
	-FITL	62,18,232

- d) In the event of default for compliance of the Restructuring Scheme, the lenders have the right to convert 100% of the debt into equity, at par, during the tenure of the assistances on default.

Schedules annexed and forming part of the Profit and Loss Account for the year ended March 31, 2011

NOTES ON ACCOUNTS : *Continued*

4. Production of one of the units of the Company at Birgod was discontinued on October 10, 2003 due to Industrial relation problem. The Hon'ble High Court of Judicature, Indore bench vide its order dated March 31, 2008 has allowed the closure of the Birgod unit and directed the Company to pay workmen compensation in terms of Section 25(O) of the Industrial Dispute Act, 1947. The Company has taken a loan from Bank of India and has paid the said dues as per the instructions of the Hon'ble High Court, Judicature, Indore Bench and accordingly the Birgod Unit has been closed down.

Out of the total net block of assets of ₹ 12,67,26,930 held at Birgod unit, the Company has transferred assets of ₹ 5,03,11,353 to its Pillukhedi unit and assets worth ₹ 18,32,579 will be transferred to Pillukhedi unit and balance assets worth ₹ 7,45,82,998 are held for disposal and no depreciation has been claimed on the same. Further as per the Valuation Report obtained by the Company from an independent valuer, the Net Realizable Value (NRV) of the assets held for disposal is higher than their carrying amount and hence such assets are shown at their carrying amount in the Balance Sheet.

5. Provision for Gratuity and Leave Encashment

Accounting Standard-15 ("AS-15") on "Employees Benefits" [AS-15 (Revised)] requires an enterprise to recognize its obligation and employee benefits cost under defined benefit plans such as gratuity and compensated absences, based on an actuarial valuation. The obligation and employee benefits cost are to be reflected in the Balance Sheet and Profit and Loss Account, respectively.

As regards Gratuity, the Company is under the Employee Group Gratuity Scheme of the Life Insurance Corporation of India ("LIC") and as per LIC's renewal intimation, the Company has contributed a sum of ₹ 31,34,025. However, since the Company does not have a certificate either from "LIC" or any other source to the effect that the contribution so made has been worked out by a qualified actuary in accordance with the provisions of AS-15 (Revised), the contribution so made is charged to the Profit and Loss Account. However, as per the calculations made by the Company, the funds available with LIC is adequate to meet the Company's Gratuity liability as on the date of the Balance Sheet.

As regards Compensated Absences, the Company has determined the liability for the leave at the credit of its employees on the basis of their current salaries and made a provision for such a liability. Accordingly, a provision of ₹ 7,14,862 has been made during the year and the accumulated balance as on March 31, 2011 is ₹ 13,41,306 on the aforesaid basis (without an actuarial valuation) in respect of the aggregate leave at the credit of its employees. However, since the Company does not have a certificate from an independent actuary to the effect that the provision so made has been worked out by a qualified actuary in accordance with the provisions of AS-15 (Revised), the provision so made is charged to the Profit and Loss Account. Accordingly, in respect of liability for leave at the credit of employees, the Company is not in a position to determine its liability and charge the same to the Profit & Loss Account in conformity of AS - 15 (Revised).

In the absence of availability of the detailed information for determining the liabilities for Gratuity and Compensated Absences in terms of AS-15 (Revised), the disclosures regarding reconciliation of obligation, fair value of plan assets, actuarial assumptions, etc. as required in terms of AS-15 (Revised) have also not been made.

6. The Company's operation relate only to Synthetic Blended Yarn and thus has only one reportable segment under Accounting Standard-17 on "Segment Reporting".
7. Information on related party transactions as per Accounting Standard-18 on "Related Party Disclosures".

Sr. No.	Name of Related Party	Description of Relationship	Nature of Transaction	Amount of Transaction	
				2010-2011 ₹	2009-2010 ₹
1	S. L. Moondhra Senior Executive Director	Key Management Personnel	Remuneration	15,36,922	12,92,925
2	Hind Filters Ltd.	Associate Company	Unsecured Loan	1,37,57,061	1,29,71,548

8. Information on Earnings per Share as per Accounting Standard-20 on "Earnings per Share":

	31.03.2011	31.03.2010
a) Profit / (Loss) available to equity Shareholders (in ₹)	(2,27,05,265)	(7,34,85,865)
b) Weighted Average No. of Equity Shares out standing during the year	1,20,58,216	1,08,78,600
c) Nominal Value per equity share (in ₹)	₹ 10.00	₹ 10.00
d) Basic & Diluted Earning Per Share (in ₹)	(₹ 1.88)*	(₹ 6.76)*

* The approved Corporate Debt Restructuring Scheme has a conversion clause allowing conversion of 100% of debt (including overdue amounts) into equity, at par, during the tenure of assistances on default. The Company has made request for modification / relief in the existing CDR scheme and has resubmitted the new Restructuring Scheme. Hence in view of Management, Diluted Earnings Per Share is not to be considered.

Schedules annexed and forming part of the Profit and Loss Account for the year ended March 31, 2011

NOTES ON ACCOUNTS : *Continued*

9. In terms of Para 17 of Accounting Standard-22 (AS-22) on "Accounting for Taxes on Income" read with Accounting Standard Interpretation 9 (ASI 9) issued there under, in absence of virtual certainty the Company has not recognized Deferred Tax Assets in respect of carry forward losses ₹ 6,38,62,771 including unabsorbed depreciation ₹ 24,74,01,065 and in terms of Para 15, the Company has not recognized Deferred Tax Assets in respect of other items in absence of reasonable certainty.
10. No provision for taxation is made in view of brought forward business losses and unabsorbed depreciation of earlier years & in view of current year loss.
11. For the purpose of ascertaining impairment of assets as per Accounting Standard-28 "Impairment of Assets", the entire business operation of the Company have been considered as a cash generation unit (CGU) and the recoverable amount of the CGU is determined on the basis of its value in use. In view of the pending implementation of revised restructuring scheme, as approved under CDR, involving proper balancing of Machines, it is expected that CGU shall take longer period to generate regular future economic benefits. Thereby cash flows for 8 years have been taken in to account to assess value in use of the business operation. On the basis of comparing the value in use so arrived at, with the carrying value of the entire CGU, it was noticed that there is no impairment in CGU.
- Further, Company has carried out the valuation of surplus assets of Birgod Unit, and as per the valuation report, the Net Realizable Value (NRV) of the assets is more than the carrying amount of the assets. On the basis of the above valuation report, management is of the view that NRV of the assets of Birgod unit will be more than the carrying amount of such assets.
12. The Company has not provided for management fees amounting to ₹ 22,00,000 payable to Bank of India for disbursement of loan taken by the company for paying labour dues, as in the view of the management the same is payable out of sale proceeds of balance assets of the company at Birgod unit remaining after reallocation of assets from Birgod unit to Pillukhedi Unit.
13. Unpaid amounts overdue for more than thirty days to Micro, Small and Medium Enterprise Suppliers on account of principal together with interest is ₹ Nil (₹ Nil). This disclosure is on the basis of the information available with the Company regarding the status of the suppliers as defined under The Micro, Small and Medium Enterprises Development Act, 2006.
14. Advances recoverable in cash or in kind or for value to be received shown under Schedule 6(d) includes a sum of ₹ 6,16,941 (₹ 48,36,158) in respect of interest receivable on sale from customers which are outstanding for more than six months etc., and a sum of ₹ 88,28,694 (₹ 1,76,43,113) as Income Tax paid in advance after net of provision for Income Tax.
15. Other interest shown under Schedule 12 is net of interest income amounting to ₹ 52,21,351 (₹ 22,83,545).
16. A sum of ₹ 79,29,559 (₹ 49,05,231) has been deducted from consumption of raw materials on account of receivable amount of export benefits, under the Duty Entitlement Pass Book (DEPB) scheme of the Government of India, framed under the provisions of EXIM Policy. Such benefits have been quantified, based on entitlements, and on the basis of applications for the issue of DEPB - post shipment basis, at the rates as notified from time to time and the extent to which the Company perceives to import, duty free goods for use in its manufacture process or face value of saleable entitlements, to offset the cost of materials used for the manufacture of such exported goods.
17. **MANAGERIAL REMUNERATION :**

Executive Directors' Remuneration paid	31.03.2011	31.03.2010
i. Salary	14,83,500	12,39,500
ii. Other perquisites and benefits	53,422	53,425
iii. Contribution to Provident Fund & Superannuation Fund	<u>2,66,500</u>	<u>2,37,220</u>
Total	<u>18,03,422</u>	<u>15,30,145</u>

18. Additional information pursuant to provision of Part - II of Schedule - VI to the Companies Act, 1956.

A. Licensed Capacity (Spindles) :

Pillukhedi Unit Not applicable *Not applicable*

Installed Capacity (Spindles) :

(As certified by the Management)

Pillukhedi Unit 36,768 36,768

B. Quantitative Information :

		Current Year ended		Previous Year ended	
		March 31, 2011		March 31, 2010	
		Quantity	Value (₹)	Quantity	Value (₹)
1. Synthetic Blended Yarn	Unit				
Production	Kgs	75,59,982	-	61,82,704	-
Turnover-Domestic	Kgs	62,33,856	88,63,28,235	54,41,905	61,89,26,165
Turnover-Export	Kgs	10,21,925	16,96,18,109	9,25,533	11,55,97,189
Opening Stock (Packed)	Kgs	1,13,879	1,35,13,751	2,98,613	3,23,78,275
Closing Stock (Packed)	Kgs	4,18,080	6,10,78,235	1,13,879	1,35,13,751
2. Waste Sales		-	18,85,571	-	9,87,770

Hind Syntex Limited

SCHEDULE 17 :

Balance Sheet Abstract and Company's General Business Profile pursuant to provisions of part IV of Schedule VI to the Companies Act, 1956 as amended vide Notification no: G.S.R. 388 (E) dated 15.05.95.

I. Registration Details			
Registration No.	: 1697	State Code	: 10
Balance Sheet Date	: 31.03.2011		
II. Capital Raised during the year (Amount in ₹ Thousands)			
Public Issue	: NIL	Rights Issue	: NIL
Bonus Issue	: NIL	Private Placement	: NIL
III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)			
Total Liabilities	: 982804	Total Assets	: 982804
Sources of Funds:			
Paid-Up capital	: 127272*	Reserves & Surplus	: 8918
*(Including forfeited shares 86)			
Secured Loans	: 759684	Unsecured Loans	: 13757
Application of Funds:			
Net Fixed Assets	: 345654	Investments	: NIL
Net Current Assets	: 259165	Misc. Expenditure	: NIL
Accumulated Losses	: 304813		
IV. Performance of Company (Amount in ₹ Thousands)			
Turnover	: 1057832	Total Expenditure	: 1138509
Profit/(Loss)Before Tax	: (22705)	Profit/(Loss)After Tax	: (22705)
Earning Per Share in ₹	: (1.88)	Dividend rate %	: NIL
V. Generic Name of Principal Product:			
Item Code No. (ITC Code)	: 5509 51 00		
Product Description	: Synthetic Blended yarn		

HIND SYNTEX LTD.



Dear Shareholder,

Re: Green Initiative in the Corporate Governance-Electronic Mode of service of documents.

Ministry of Corporate Affairs("MCA") has taken a "Green Initiative in the Corporate Governance", thereby allowing Companies to serve documents to its shareholders through electronic mode vide its circulars dated 21st April, 2011 and 29th April, 2011. Environment conservation and sustainable development are continuously on your Company's radar and therefore your Company supports MCA in this initiative.

Accordingly, it is proposed that henceforth documents such as Notices of General Meeting(s), Annual Reports and other shareholders communications will be sent electronically to the email address provided by you and/or made available to the Company by the Depositories.

Shareholders may register/change their email address with the Company/Registrar & Transfer Agent through any of the following options :-

- 1) E-mail : By sending an email to hslindr@sancharnet.in
mumbai@linkintime.co.in and
mentioning the Name(s) and Folio Number/DP ID Client ID
OR
- 2) Business Reply Inland Letter : Returning this letter duly filled in at the Company's
Registered Office address/Registrar & Transfer Agent's Office

If you still wish to receive the above documents in physical form, the same shall be made available upon receipt of a request from you.

Shareholders holding the shares in demat form are requested to also keep their Depository Participant informed of any changes in their e-mail address.

We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.

Thanking you,

For Hind Syntex Ltd
Senior Executive Director

Folio No. DPID & Client ID
Name of 1st registered holder
Name of joint holder(s)
E-Mail address(to be registered)
Contact Nos.
Date:.....	Signature:.....

For any further query/assistance/suggestions, please contact Investor Service Centre at :

Registered Office 1A & 8A Industrial Area A B Road, Dewas -455001 M.P.	Telephone: +91 7272 258293(5 lines) Fax: +91 7272 258717	E-Mail: hslindr@sancharnet.in Website: www.hind-syntex.com
Registrar & transfer agent: Link Intime India Pvt Ltd C-13, Pannalal Silk Mills Compound LBS Marg, Bhandup (West) MUMBAI-400 078	Telephone:+91 22 25963838 Fax: + 91 22 25946969	E-Mail:Mumbai@linkintime.co.in

Business Reply Inland Letter Card

To,
Hind Syntex Ltd.
1A/8A, Industrial Area,
Agra Bombay Road,
Dewas (M.P.) 455 001
Tel: 07272-258293 (5 lines)

Senders Name And Address

.....
.....
.....

Pin Code.....

HIND SYNTEX LIMITED
ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

I/We hereby record my/our presence at the THIRTIETH ANNUAL GENERAL MEETING of the Company.

.....
Name of Proxy (if any) Mr./Mrs./Miss. Signature of Member/Proxy

Note : *This meeting is of Members only and you are requested not to bring along with you any person who is not a member.*

HIND SYNTEX LIMITED
PROXY FORM

Ledger Folio No/ CLIENT ID No.
No. of Shares held
I/We
of
in the district of
being a Member/Members of the above named Company hereby appoint
..... of
in the district of
or failing him
of
in the district of
as my/our proxy to vote for me/us, on my/our behalf, at the Thirtieth Annual General Meeting of the Company to be held on Monday the 12th day of September, 2011 and at any adjournment thereof.
Signed this day of 2011.

Affix
Revenue
Stamp here

Signature

Note : *The proxy form must reach the Company's Registered Office at 1A/8A, Industrial Area, Agra-Bombay Road, Dewas-455 001 not less than FORTY-EIGHT hours before the time for holding the meeting.*

BOOK - POST

If not delivered, please return to :

HIND SYNTEX LIMITED

1A / 8A, Industrial Area,
Agra-Bombay Road,
DEWAS [M.P.] - 455 001.

Print Pack Pvt. Ltd., Ph. 2763121